



National Defense Rail Act Introduced

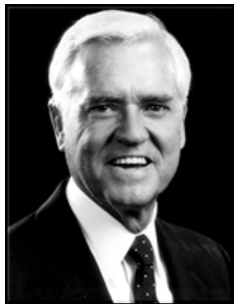
Allows Nationwide Service

S.1991, the National Defense Rail Act, is the authorization bill most clearly supportive of continuing and strengthening nationwide passenger rail service. It was introduced by Senate Commerce Chairman Ernest F. Hollings (D.-S.C.) on March 6, and was the subject of a hearing in that committee on March 14.

As an authorization bill, S.1991 sets general rail policy and suggested funding levels, **which still must be appropriated each year.** Features include:

- \$580 million a year for long-distance trains, including \$360 million in operating grants (what Amtrak says it needs, without cross-subsidy), \$120 million for rolling stock.

- \$270 million a year for short-distance and state-supported routes (\$190 million for infrastructure, \$50 million for rolling stock).



Sen. Ernest F. Hollings

- \$1.31 billion a year for the Northeast Corridor (NEC), including \$720 million for infrastructure, \$100 million for rolling stock.

- \$500 million a year for other Amtrak operating items, such as mandatory excess railroad retirement payments (\$160 million), debt payments (\$267 million).

- \$1.26 billion in 2003 only for various Amtrak security-related needs.

- "Above-the-rail" profits of Northeast Corridor trains to be used for investment in NEC infrastructure.

- Non-rail profits—including those generated in the NEC—are to be used for short-distance corridors *outside* the NEC. This would include profits from such things as commuter rail contracts, and real estate and telecommunications agreements.

- \$2.5 million for an external review of Amtrak's cost-accounting system.

- \$1.5 billion a year for non-NEC high-speed corridor implementation, giving "priority" to (not requiring) systems planning "sustained speeds" of 125 mph or more. Expands the list of designated corridors, with Los Angeles-Las Vegas, Atlanta-Charleston, Raleigh-Florence-Charleston-Savannah, Florence-Myrtle Beach.

- In a move that restores the pattern that existed in Amtrak's early years, federal grants for Amtrak would flow through the Department of Transportation rather than directly from the Treasury to Amtrak.

The last item reminds us that the late John Riley, who served as President Reagan's Federal Railroad Administrator, once commented on the huge amount of time he and his staff spent facilitating actions that most outsiders took for granted, such as getting the Administration to release funds that had already been appropriated for Amtrak. n

Appropriators Focus on Amtrak

The appropriations committees may have an even more important bearing on Amtrak's fate in fiscal 2003 than usual, since some observers doubt an authorization bill can be enacted this year.

In any event, the appropriators are stuck with the tough task of finding whatever money is going to be spent. Patty Murray (D.-Wash.), the Senate transportation subcommittee chairman, said, "I want Amtrak to succeed. I believe that intercity passenger rail service plays a critical role in easing congestion in our country. I think it's an important travel option for the American public..."

"It was foolish for some members of Congress to insist that Amtrak become the only self-sufficient national railroad in the world. That requirement appears only to have succeeded in pushing Amtrak into making short-term financial decisions that have undermined its long-term financial condition..."

Murray said, "The Bush Administration's

SPONSORS OF S.1991

As of April 2, 29:

- Alaska - Stevens (R.)
- Cal. - Feinstein (D.), Boxer (D.)
- Conn. - Lieberman (D.)
- Del. - Biden (D.), Carper (D.)
- Ga. - Cleland (D.)
- Hawaii - Inouye (D.)
- Ill. - Durbin (D.)
- La. - Breaux (D.)
- Me. - Snowe (R.)
- Md. - Mikulski (D.), Sarbanes (D.)
- Mass. - Kennedy (D.), Kerry (D.)
- Mont. - Baucus (D.), Burns (R.)
- Nev. - Reid (D.)
- N.J. - Corzine (D.), Torricelli (D.)
- N.Y. - Clinton (D.), Schumer (D.)
- N.Dak. - Dorgan (D.)
- Pa. - Specter (R.)
- S.C. - Hollings (D.)
- Tex. - Hutchison (R.)
- Vt. - Jeffords (I.), Leahy (D.)
- W.Va. - Rockefeller (D.)

posture toward Amtrak's financial situation has only made matters worse...Any informed source will tell you that, if we enact the President's budget, we will throw Amtrak into certain bankruptcy...

"My State ranks second—only behind California—in the amount of direct state subsidy that has been put into supporting Amtrak service...If we don't have enough money in 2003 to maintain a national system, then, as far as I'm concerned, we can disband the railroad, or let all the states—not just a few—pick up a portion of the needed subsidy.

"Whether we are able to provide \$1.2 billion for next year or just half that amount, I don't intend to subsidize just a regional rail system that protects the status quo for certain states that have put up none of their own funding, but throws most of the other states out of the national network."

Senate Appropriations Chairman Robert Byrd (D.-W.Va.) expressed concern

(continued on page 4)

U.K. Rail Woes a Major Problem for Blair

Briton Opposes Our ARC

"The Americans are even missing the point about the British experience. The rightwing is arguing that Amtrak should be privatised and broken up, supported by nonsense like a *New York Times* analysis last month claiming that British train 'ridership' had shot up because 'aggressive private operating companies have lowered fares and offered special promotions'.

"People use British trains because the roads are so clogged they are the least worst alternative..."

—Columnist Matthew Engel, *The Guardian* (U.K.), March 13

"Prime Minister Tony Blair...is under attack at home by irritated Britons and an angry press interested in just one question: Can he make the trains run on time?"

"So far, the answer is no. The government acknowledged as much [January 14] when Transport Minister Stephen Byers laid out a 10-year plan for revitalizing the country's decrepit railways, which were privatized a decade ago..."

"We have the worst railways in Europe," Peter Hain, the government's minister for Europe, wrote in the *Spectator* magazine this week."

—Los Angeles Times, news story, January 15

"Since privatization went sour in the U.K., the Amtrak Reform Council has alternated between insisting that what it proposes is unrelated to the U.K., and talking about the wonderful U.K. accomplishments as if ARC's plan would give us similar results. [Most of Britain's rail growth was] in London commuter rail, roughly [in

line with] growth of employment in London. Intercity ridership has grown only about in proportion to GDP [and] growth...was aided by a five-year moratorium on highway construction and by several years of [big] gasoline tax increases."

—from NARP's February 27 letter to House Appropriations Transportation Subcommittee Chairman Harold Rogers (R.-Ky.)

"The transport secretary, Stephen Byers, put his head on the block in the midst of [labor] turmoil on the railways on 10 January, suggesting that Labour would deserve to be voted out of government if the railways did not improve.

"He said: 'Whenever the next general election is called, if we have not got a railway system that has better punctuality, which is more reliable, which is safe, which is more clean and comfortable, then we will be held to account, and that is how it should be.'"

—*Modern Railways* (U.K.), February

"I opposed privatisation, but I never believed privatisation would bring a fully functioning state railway to its knees in just five years,' [said our columnist Roger Ford, who noted that] "infrastructure investment...is proceeding at levels undreamt of in the days of British Rail...But ...the [new] structure erodes the efficiency of the extra money: what British Rail bought for £1, now costs £2.50.

"[Ford also argued] for 'stability in the people who look after the track.' In the event of an infrastructure company losing a contract, it will often move its best personnel to other contract areas—the knowledge of the old patch goes with them..."

—*Modern Railways* (U.K.), April 11

LONG-HAUL "CHUMP CHANGE"

• DOT Inspector General Kenneth Mead in February 27 testimony called the operating grants needed for long-distance trains "chump change" compared with "the annual capital subsidy required to continue operating" Northeast Corridor trains. He said long-distance operating losses are only about 30% of NEC capital requirements (which are much greater than actual NEC investment has been).

• Association of American Railroads President Edward R. Hamberger told the Senate Commerce Committee, March 14, "Safety requirements and the integrated nature of railroading necessitate that intercity passenger rail be provided by one entity—Amtrak. Further, Amtrak's right of access, preferential rates, and operating priority should not be transferred or franchised...If others are asked to provide Amtrak-like services," they should be required to deal with the freights at "arms length."

HILL PRESSES ADMINISTRATION

At the March 14 Senate Commerce hearing (p. 1), Deputy Transportation Secretary Michael Jackson cited a long list of questions the Administration was pondering. Chairman Ernest Hollings (D.-S.C.) responded, "The Administration asks more questions than we do. We already know how to ask questions. Why is there nothing from the Administration we can act on?" John McCain (R.-Ariz.), ranking member, said, "It is time for the Administration to come up with a plan," noting that aviation security legislation took longer to pass than it should have because of a similar Administration failure.

On February 27, House Transportation Appropriations Chairman Harold Rogers (R.-Ky.) pointedly told Federal Railroad Administrator Allan Rutter that the subcommittee controls funding not just for Amtrak but also for the FRA. Underlining the subcommittee's need for more information, Rogers said he doubted there be an authorization this year. That would put give more power to the appropriators. Rogers insisted that the Administration submit a plan by late April, and said he would have another Amtrak hearing then.

FEDERAL POLICY: BIG BUCKS FAST FOR AIR, STARVE AMTRAK

"Being lost in the concern over saving the airlines—virtually all of which were in financial turmoil well before the events of Sept. 11—is our only realistic alternative to air travel: Amtrak. Unless Congress and the White House do something very soon, the American public, including those of us right here in DuPage County, will no longer have any inter-city rail service at all.

"Amazingly, the White House and Congress were almost instantly able to come up with a \$25 billion bailout for the airlines that, six months later, are serving 15 percent fewer

passengers than they did one year ago and continue to lose millions (United alone reports losing \$5 million a day). But the same White House and Congress cannot 'save' Amtrak, which has seen a 4.5 percent increase in passengers in the same period, by coming up with a dedicated source of funding..."

—William C. McMahon of Naperville, Letter in Chicago Daily Herald, March 21

Note: Federal emergency aid to the airlines last September was \$5 billion in grants, plus up to \$10 billion in loan guarantees.

February enplanements for domestic airline service were down 12.5% from a year ago.

NARP Responds to FRA Testimony

The written testimony of Federal Railroad Administrator Allan Rutter is filled with comments that concern us.

He starts out upbeat: "As demonstrated in the aftermath of September 11th, a strong argument can be made for flexibility and redundancy in this Nation's passenger transportation system that could be provided by intercity passenger rail."

However, here are a few of the negative points, and the responses to them in NARP Executive Director Ross Capon's March 13 letter to Rutter:

- Capon wrote that, but for one "backhanded reference" to strong demand for rail lately, "the [FRA] statement is silent on the message the traveling public has been sending...about the desire for more rail travel—Amtrak's September-January travel percentage changes far stronger than the airlines'..." [Figures on graph below understate the message, as the air-to-Amtrak shift is in spite of **big air fare cuts and aggressive Amtrak pricing.**]

Smith Chairs Amtrak; Warrington to Head NJT

Amtrak's board unanimously elected Mayor John Robert Smith (R.) of Meridian, Miss., as chairman, February 22. He founded and co-chairs the Crescent Corridor Coalition, composed of mayors dedicated to the development of higher-speed passenger rail services in the southeastern United States. He chairs the National Corridors Initiative. He holds B.S. degrees in pharmacy, and biology and chemistry, from the University of Mississippi. Michael Dukakis (D.) is again vice chairman.

Senate Minority Leader Trent Lott (R.-Miss.) issued this statement in response to Smith's appointment: "Mayor Smith has long been one of the nation's leading proponents of a national passenger rail system. He has certainly been a great asset to the Amtrak board and I know he will serve with distinction as its chairman. He certainly has the strength and commitment to lead Amtrak through the challenges before it."

Smith on March 7 announced that President and CEO George D. Warrington would resign. New Jersey Gov. James E. McGreevey (D.) named Warrington as New Jersey Transit's next Executive Director. He is expected to leave Amtrak as soon as Amtrak's board selects a successor or interim successor. n

- In discussing Amtrak corridor ridership, Rutter says, "because of repetitive travel over shorter distances, this statistic does not indicate the number of individuals making use of the various Amtrak services yearly."

Capon: "I can recall no analysis of airline, auto or intercity bus travel which references 'repetitive travel' this way...The phrase [implies] that...the Amtrak number really isn't that significant..."

- Rutter implied that services which do not have "significant market shares" are not of value.

Capon responded, "Long-distance routes (perhaps excepting New York-Florida) will never have 'significant market shares' but we think they are nonetheless justified if well used. There are issues of medical inability to fly, fear of flying, desire for the rail travel choice, service to smaller communities with limited or no public alternatives, and maintaining the foundation needed for economical future development of commuter rail and corridor services."

- Rutter: "Only 25 to 30 of Amtrak's stations would be regarded as realistic transfer points between intersecting routes, while 136 airports are classified as hubs and Greyhound claims 150 major terminals...If a prospective traveler 'can't get there from here' by a particular mode, that mode simply can't compete..."

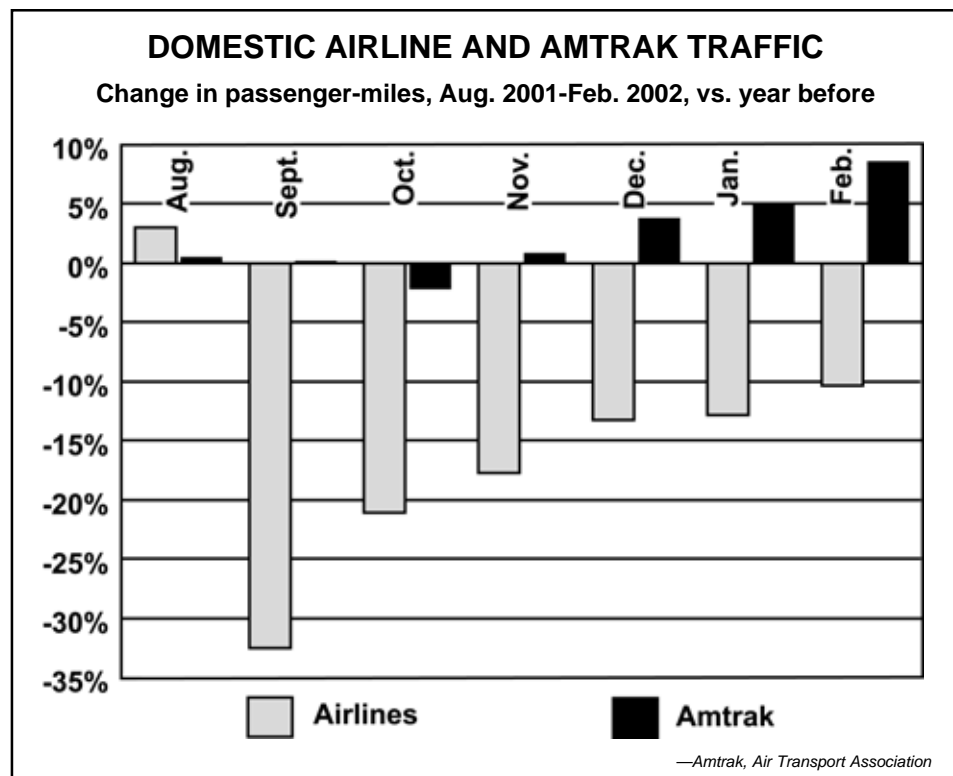
Capon: "These comments, and the absence of any mention of Amtrak's Thruway bus connections, seem odd coming from a Department which [often] vigorously promotes 'intermodality.' Your subliminal message seems to be, 'Amtrak is too small, so let's make it even smaller.'

"Thruway's very important role in California, Florida and elsewhere deserves recognition. Longview, Texas, is a major Amtrak stop partly because Thruway connections there make possible trips like Chicago-Houston and Chicago-Shreveport. In addition, there are the growing number of intermodal terminals where passengers make their own non-through-ticketed transfers between Amtrak and other forms of public transport (intercity and local bus and rail)." n

Rutter's letter is on-line at <http://www.fra.dot.gov/counsel/legislation/cong_test.htm>; NARP's is at <www.narprail.org> (or send NARP an s.a.s.e. and \$4).

AMTRAK'S STRONG FEBRUARY

Amtrak passenger-miles, vs. February, 2001, were up 8.6%; domestic air fell 10.3% (see below). Ridership was up 6.4%, and down 12.5%, respectively. Amtrak ticket revenues were up 17.0%. Average air fare (excluding Southwest) fell 13.6%. On Amtrak sleeping cars, ridership rose 13.1%, passenger-miles 13.5%, revenues 18.0%.



TRAVELERS' ADVISORY

San Joaquins—A sixth train started March 18, making two that now so Sacramento-Bakersfield, and four Oakland-Bakersfield. Sacramento trains began serving Lodi.

Intermodal ticketing—The code-sharing arrangement announced by Amtrak and Continental Airlines in January took effect March 9. Wilmington, Philadelphia, Stamford, and New Haven are served, via Newark Airport.

Silver Palm—Business Class began April 1. Sleeping car/Diner likely will disappear in the April 29 timetable. NARP urged finding a cheaper way to serve meals, but Amtrak says existing cars don't permit this.

Amtrak's April 29 timetable—After 3½ years, the *Pennsylvanian* finally gets a more passenger-friendly schedule—8:00 am from Philadelphia, for better connections from New Jersey and New York (on the *Carolinian*). Eastbound, it leaves Chicago at 11:55 pm, Toledo 6:00 am, arrives

Philadelphia 8:00 pm. (NARP long had urged overnight New York-Pittsburgh, Chicago 5 pm west, 11 am east, but this doesn't fit with express, the reason the train exists.)

Capitol Limited runs 40-45 minutes earlier westbound.

Riverside, Cal., will be added as a **Southwest Chief** stop April 29 eastbound and May 1 westbound.

Thruways—Flagstaff, Ariz. (on **Southwest Chief** route) to Grand Canyon and to Phoenix was restored March 4 by Amtrak and Open Road Tours. The previous operator ended service in October, 2001.

The Emeryville-San Francisco Airport bus ends April 29.

Amtrak Guest Rewards—Members who forget to give their membership number when buying tickets can get credit anyway. Call 800/307-5000 and give your membership number and—from ticket stub—your ticket number. Though the official rule is to call no more than 31 days after your trip, Amtrak says to call

as soon as you can.

Transit—Denver RTD's Central Platte Valley light rail spur opens April 5, making a new route originating in Littleton (south terminus of the existing route), running to a new junction at West Auraria, and proceeding 1.8 miles to the Broncos stadium, Pepsi Center area, Six Flags Elitch Gardens, and Union Station.

Las Vegas specials—Key Holidays and Amtrak will operate "Las Vegas Fun Trains," departing Los Angeles April 12 and May 3 (return April 14 and May 5); and "Las Vegas Specials," departing Los Angeles April 16 and May 7 (return April 18 and May 9). Stops also at Fullerton and San Bernardino. Key Holidays (800/783-0783) is also the operator of the Reno Fun Train, now in its 40th year.

Los Angeles race trains—Amtrak will charter Metrolink trains April 28 and November 3 to the California Speedway. Get tickets at <www.amtrak.com> (station code CSP), or call 909/889-8611 x126 for a brochure.

Appropriations (from page 1)

that Amtrak would try to cut routes to isolated areas, and said Congress should not let this happen.

Other points from the Senate hearing:

- Referring to Amtrak's austerity measures (Feb. News, "Amtrak to Post Long-Distance Notices"), Murray asked, "Should we be concerned about cuts that will reduce quality of service?" Amtrak

President George Warrington: "It won't affect safety. There are some quality and reliability impacts, over time. We were very selective. We have a more structured overhaul program today, and most equipment has been through it." DOT Inspector General Kenneth Mead said he didn't like to see the actions, but Amtrak didn't have much choice.

- Asked if "all states should pay," DOT Deputy Secretary Michael Jackson said,

"Yes. Our proposal will increase state reliance. They need more stable federal funding so they can plan."

- Warrington said there has been additional delay—due to the manufacturer—on delivery of the high speed train sets, with three sets outstanding. The last should be in place in mid-summer.

For House Appropriations hearing items, see both articles in right column on page 2, and our February lead story. n



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